# American Indian Education CenterProgram Grant

## **Continuing Application**

**October 1, 2018 to September 30, 2019**

**APPLICATION DEADLINE:**

**4:00 p.m.**

**Monday, September 24, 2018**

**Educational Options, Student Support and American Indian Education Office**

**California Department of Education**

**1430 N Street, Suite 6408**

**Sacramento, CA 95814-5901**

**916-319-0506**

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## **INTRODUCTION**

### Purpose

The purpose of this Continuing Application is to continue to support eligible Tribal Groups or Incorporated American Indian Associations for grants to operate American Indian Education Centers (AIEC) authorized by sections 33370 and 33380–33385 of the California *Education Code (EC)*. It is anticipated that the Budget Act allocated approximately $4.1 million for fiscal year 2018–19.

The AIEC grant funds may be used for any of the purposes specified in the authorizing legislation and the program regulations (*California Code of Regulations,* Title 5 [5 *CCR*], Section 11996) to promote the academic and cultural achievement of the students. The AIEC grant funds may be used, on the basis of established priority needs, to accomplish the following:

1. Improve the academic achievement of American Indian students in kindergarten and grades one to twelve, inclusive.
2. Improve the self-concept and sense of identity of American Indian students and adults.
3. Have the AIEC serve as a center for related community activities.
4. Provide individual and group counseling to students and adults related to personal adjustment, academic progress, and vocational planning.
5. Create and offer coordinated programs with the public schools.
6. Provide a focus for summer cultural, recreational, and academic experiences.
7. Create and offer adult classes and activities that benefit parents or guardians of students in the AIEC programs.
8. Provide training programs to develop pathways to college and the workplace for American Indian students.
9. Provide American Indian educational resource materials to students, their parents, and the schools they attend to ensure that information on appropriate tribal histories and cultures is made available.

### Background

The AIEC Program was established in 1974 by Senate Bill 2264. The intent was of that legislation to provide educational services from within the Indian community that promote academic success for American Indian students by providing community-based programs to address the unique academic and cultural needs of American Indian students in California’s public schools. The AIECs serve as educational resource centers in American Indian communities for American Indian students, their families, and the public schools in those communities. A student’s heritage may be from any of the 109 California tribes or from any of the hundreds of tribes from across the country. Primary emphasis is placed on the provision of direct services to improve achievement in reading/language arts and mathematics. A secondary purpose is to build students’ self-concept in relation to their heritage through cultural activities. A primary outcome of these activities is to create a skilled, educated workforce in the American Indian community and in California.

### Grant Funding Period

The AIEC Continuing Application grant funding period shall be October 1, 2018, through September 30, 2019.

### Application Instructions

Please complete all sections of this application on single‑sided, 8½- by 11-inch paper, using 12-point Arial font, with half-inch margins (not including required budget forms, other required documentation forms, and appendices). Appendices shall be limited to the forms provided by the CDE:

* Cover Page (Attachment 1)
* Documentation Requirements (Attachment 2)
* Commercial Tobacco-Free Certification (Attachment 3)
* Board of Directors/Tribal Council and Parent Advisory Council List (Attachment 4)
* Budget Summary - <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>
* Budget Detail - <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>
* Budget Narrative - <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>
* Funding from Other Sources Table <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>
* Project Activities Table - <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>

Each Continuing Application must be stapled or clipped in the upper left-hand corner with the Application Cover Sheet on the top of the application. Do not use binders, covers, flat folders, or cover letters.

The Applicant is responsible for ensuring that the application package is complete and that there are no missing pages/forms prior to submission. The CDE cannot add items to or remove items from the applications received.

An original AIEC Continuing Application must be received by the CDE **no later than 4 p.m., Monday, September 24, 2018.** The application package must be clearly labeled on the outside with the application title:

**American Indian Education Center Program Application**

**Transmission of applications by electronic mail (e-mail) or facsimile is not allowed.** Applicants should mail the application, or deliver it in person to:

**Judy Delgado, American Indian Education Consultant**

**Educational Options, Student Support, and American Indian Education Office**

**California Department of Education**

**1430 N Street, Suite 6408**

**Sacramento, CA 95814-5901**

The CDE reserves the right to reject any or all applications. The state's waiver of any submission of material not required in the Continuing Application does not excuse the grantee from full compliance with the grant terms, if a grant is awarded.

### Required Assurances

General Assurances are required for grant applications submitted to the CDE.

**Note:** The signed Continuing Program Grant Application Cover Page submitted to the CDE confirms a commitment to comply with the General Assurances.

Applicants must download the General Assurances form and keep it on file for compliance reviews, complaint investigations, or audits.

* General Assurances form: <http://www.cde.ca.gov/fg/fo/fm/generalassurances2018.asp>

The following also must be completed and submitted:

* AIEC—Documentation Requirements (Attachment 2)
* AIEC—Commercial Tobacco-Free Certification (Attachment 3)

### Other Required Forms

Please also complete and submit:

* AIEC Board of Directors/Tribal Council and Parent Advisory Council List

(Attachment 4)

* Funding from Other Sources Table <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>
* Project Activities Table - <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>

### Revisions to the Comprehensive Plan

Identify and describe in detail any changes to your current comprehensive plan components. Include rationale and justification for program or measurable objective changes.

If you provide an after school snack, each program is required to develop and maintain an After School Snack Menu. This menu must follow the current California Guidelines for healthy snacks (EC sections 49430–49431.7, 8423[c]3, 8482–8484.6). The *Healthy After School Snack and Meal Guide (Revised March 2014)* can help staff serve healthy snacks and meals while respecting the unique challenges that after school programs face such as funding, equipment limitations, and cultural influences. The guide contains helpful tips on how to start serving healthy snacks, as well as sample cycle menus to make it easier for you. The *Healthy After School Snack and Meal Guide* can be found on the CANFIT web page at <http://canfit.org/our_work/programs/snackguide>.

### Grant Funding Procedures

The CDE shall distribute 75 percent of the grant award for each year of the grant no later than 45 days after enactment of the annual Budget Act or any additional authorizing statute, whichever is later (*EC* Section 33383[g][1]), **provided** **that** the application for an AIEC has been approved by the CDE, the applicant has received written verification of that approval, the applicant has returned a signed Grant Award Notification (AO-400), and all outstanding reports have been approved by the CDE. The final 25 percent of the grant award shall be distributed no later than April 1 (*EC* Section 33383[g][2]), provided all outstanding reports have been approved by the CDE.

Failure to submit the annual program report, quarterly fiscal reports, or results of the fiscal audit of expenditures by the due dates will result in a delay of the second payment for the current year and all payments for subsequent grant years until the reports are submitted (5 *CCR*, Section 11996.7, subdivision [d]).

### California Healthy Kids Survey

All grantees will be required to conduct the California Healthy Kids Survey (CHKS) Core Module to students in grade seven through grade twelve (K–12( and the CHKS Elementary Module to students in grades K–6. Grantees may use grant funds to support the cost of implementing the CHKS Core Module and the CHKS Elementary Module. Applicants must receive parental permission prior to conducting the survey. For additional information regarding the administration of the CHKS, visit the WestEd web site at <http://wested.org/resources/healthy-kids-survey-hks> or request assistance by phone at 888-841-7536. The signature of the Chairperson or Designee on the Application Cover Page, serves as an assurance that the grantee will administer the CHKS.

Provide a description of the steps the applicant will take to administer the CHKS and the applicant’s commitment to the analysis and use of the data to substantiate or improve the Program**.** The use of tables to document this data is acceptable. Applications must contain the following elements:

1. A description as to when the first administration of the CHKS will occur, the approximate dates on which the CHKS will be administered every year.
2. A description of the roles and responsibilities of site staff for conducting the CHKS.
3. A description as to how the data and analysis will be publicly disseminated.
4. A description of the level of commitment that staff and administrators have to ongoing collection, analysis, and use of CHKS data.

### Program Budget

The Program Budget must be clearly tied to program activities. Expenditure line items and Object Codes used in the budget proposal and subsequent expenditure reports should be consistent with the Standardized Account Code Structure. The budget documents must be arranged in the following order:

1. Budget Summary - <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>
2. Budget Detail - <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>
3. Budget Narrative Form - <https://www.cde.ca.gov/fg/fo/r8/aiec17rfa.asp>

The Budget Summary is a summary of each Object Code amount. The Budget Summary must reflect the totals on the Budget Detail and Budget Narrative Form.

The Budget Narrative Form must provide sufficient information to support the proposed goals, program, and activities. The Budget Narrative Form must provide a description of the costs for each line item of expenditure for which grant funding will be allocated. For all personnel, include full-time equivalent (FTE) value, number of days or percentage of time, and duties/services to be performed. For partial salary expenses, indicate the percentage of salary costs charged to the AIECProgram. For multi-funded positions, justify the percentage charged to the AIEC Program. No position may be funded 100 percent by AIEC funding unless the staff member in that position works solely on the AIEC Program. If a position is part-time, please justify that position’s time charged to the AIEC grant.

The Budget Detail must provide a breakdown of the expenses for each line item, as follows:

* Name; position; labor cost detail, including percentage FTE; hourly or billing rates for all personnel; and the total number of hours projected for the project.
* Vacation hours cannot be accrued from year to year and must be used within the grant year in which it was accumulated.

Example:

2100 Instructional Aides’ Salaries

| Employee Name | Position Title | FTE\* | Rate per Hour | Hours Per Week | Weeks per Year | Total |
| --- | --- | --- | --- | --- | --- | --- |
| Joe Smith | Instructional Aide | 0.38 | $11.00  | 20 | 40 | $8,800.00  |
| Jean Smith | Instructional Aide | 0.5 | $15.00  | 26 | 40 | $15,600.00  |

\*FTE Calculations

**Standard Guidelines**

1. Number of hours per year = 2,080
2. Number of days per year = 2,080/8 = 260
3. Number of weeks per year = 52

**Process for Calculating FTE**

1. Identify number of weeks per year and number of hours per week
2. Multiply number of hours per week x number of weeks per year
3. Divide result by 2,080 to get the FTE

Examples:

39 weeks x 40 hours = 1,560 hours/2,080 = 75% FTE (9 months)

43 weeks x 40 hours = 1,720 hours/2,080 = 83% FTE (10 months)

48 weeks x 40 hours = 1,920 hours/2,080 = 92% FTE (11 months)

39 weeks x 30 hours = 1,170 hours/2,080 = 56% FTE (9 months)

43 weeks x 30 hours = 1,290 hours/2,080 = 62% FTE (10 months)

48 weeks x 30 hours = 1,440 hours/2,080 = 69% FTE (11 months)

39 weeks x 20 hours = 780 hours/2,080 = 38% FTE (9 months)

43 weeks x 20 hours = 860 hours/2,080 = 41% FTE (10 months)

48 weeks x 20 hours = 960 hours/2,080 = 46% FTE (11 months)

* Employee benefits, including the percentage of salaries and wages that represents benefits paid for employees. (Generally, rates range from 20 to 35 percent.)
* Operating expense detail, including costs necessary or reasonable to conduct business (e.g., rent, utilities, and so forth).

Examples:

5500 Operations and Housekeeping Services

| Description | Cost Per Month | Number of Months | Total |
| --- | --- | --- | --- |
| Utilities | $100.00  | 12 | $1,200.00  |
| Security Alarm | $45.00  | 12 | $540.00  |

* Grantees and sub-grantees shall be reimbursed for travel and per diem expenses at rates not exceeding those amounts paid to the CDE’s non-represented employees. Grantees with collective bargaining agreements allowing higher rates of reimbursement shall not pay the difference out of the AIEC Continuing Application grant funds. The CDE shall notify the grantee of a change in expense rates within 30 calendar days after the CDE has received notification of a change in rates from the California Department of Human Resources.
* Per diem (after a 24-hour travel period)
1. Breakfast $7.00
2. Lunch $11.00
3. Dinner $23.00
4. Incidentals $5.00 (can be claimed only after a 24-hour travel period and only with a lodging receipt)

May not claim meals when meals are included in the hotel expenses or conference fees.

Incidentals may not be reimbursed to students.

When traveling on a trip of more than 24 hours, the following timeframes will apply for the first day of travel:

* + Per diem
1. Trip begins at or before 6 a.m., you may claim breakfast.
2. Trip begins at or before 11 a.m., you may claim lunch.
3. Trip begins at or before 5 p.m., you may claim dinner.

When traveling fractional days after a 24 hour period, the following

timeframes will apply:

* + Per diem
1. Trip must end after 8 a.m. to claim breakfast.
2. Trip must end after 2 p.m. to claim lunch.
3. Trip must end after 7 p.m. to claim dinner.

When traveling fewer than 24 hours, lunch can never be claimed. Reimbursements for breakfast and dinner can be made for the following timeframes:

* + Per diem
1. Trip must begin at or before 6 a.m. **and** end at or after 9 a.m. to claim breakfast.
2. Trip must begin at or before 4 p.m. **and** end at or after 7 p.m. to claim dinner.
* Personal Vehicle Mileage $0.545/mile
	+ 1. Verification of mileage must be kept with the reimbursement.
		2. Mileage reimbursement documents must include a flyer/purpose and sign-in sheets.
* Lodging reimbursement **(original receipt required)** up to $90.00\* + tax.

\*In Sacramento, Napa, Riverside counties, up to $95 + tax is reimbursed; in San Francisco County, up to $250 + tax is reimbursed; in Alameda, San Mateo, and Santa Clara counties up to $140.00 + tax is reimbursed; in Los Angeles, Orange, Ventura counties, and Edwards AFB, up to $120 + tax is reimbursed; San Diego and Monterey counties, up to $125 + tax is reimbursed; city of Santa Monica, up to $150 + tax is reimbursed; and Marin County, up to $110 + tax is reimbursed.

* Services to be performed by outside consultants require a contract and should be listed in the budget as follows:
* Contractor name, services to be provided, and cost of service. Invoices are required to be submitted to agency once the service is successfully completed. Agencies must have an invoice before payment can be made.

Example:

5800 Professional/Consulting Service and Operating Expenditures

| Description | Cost Per Presentation/Workshop | Number of Presentations/Workshops | Total |
| --- | --- | --- | --- |
| Mary Jones–Basket Weaving Workshops | $200.00  | 3 | $600.00  |

### Allowable and Reasonable Costs

Funds must supplement, not supplant, existing services and may not be used to supplant federal, state, local, or nonfederal funds. Programs may not use AIEC funds to pay for existing levels of service funded from any other source. The AIEC funds may not be used for new construction, entertainment, and purchases not directly related to requirements of the grant. All purchases must be reasonable and necessary. Please visit the Uniform Guidance–Title 2, Subtitle A, Chapter 2, Part 200, Subpart E–Cost Principles web page at <http://www.ecfr.gov/cgi-bin/text-idx?SID=148e539f1aaea800420b71a9feb79f98&mc=true&node=sp2.1.200.e&rgn=div6#sg2.1.200_1419.sg16>.

Each application will be reviewed for reasonable costs. A cost is reasonable if, in its nature or amount, it does not exceed that cost which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

* Costs shall not be made after 5 p.m.

### Unallowable Costs

The applicant may be asked to remove unallowable costs. Examples of expenditures that are unallowable include, but are not limited to, the following:

* Incentives
* Gifts to honor individuals
* Gift Cards
* Pre-paid store cards or credit cards
* Parties/celebrations
* Scholarships
* Financial support to families
* Staff bonuses
* Interest/finance charges
* Internal Revenue Service penalties
* Entertainment, including amusement, diversion, social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities)
* Lobbying
* Fundraising
* Bad debts
* Contingencies
* Fines and penalties
* Costs of idle facilities
* Cell Phone purchases
* Costs incurred after the grant has been terminated
* Unnecessary travel
* Out-of-state travel
* Contributions
* Costs of organization of a nonprofit corporation such as incorporation fees or consultant fees
* Public relations consultant fees
* Costs of legal, consulting, and accounting services incurred in prosecution of claims against the state
* State and federal income taxes, including filing fees
* Compensation to the members of the Board of Directors except for:
* Reimbursement for travel and/or per diem, computed in accordance with state rates, incurred while the members are conducting business on behalf of the AIEC Program
* Costs incurred in prior or future years
* Any expense not included in the approved budget

The CDE shall recoup any payments made for costs which were not reasonable and necessary. The amount that is recouped shall be the excess payment over the reasonable or fair market value, or 100 percent of the cost, if the cost was not necessary. The CDE may elect to recover any costs associated with recouping advanced contract funds, including collection services or attorney fees.

Net reimbursable program costs must be incurred during the grant period. Grantees shall not use current year grant funds to pay prior or future year obligations.

### Costs Requiring California Department of Education Approval

* Any item that is not in the approved budget is unallowable unless written approval is given in advance by the CDE.
* If indirect costs are claimed, an indirect cost allocation plan must be on file with the grantee and available for review by CDE staff. The maximum for an indirect cost rate for this funding is 7 percent. This rate is applied to budget categories 1000–5000 only in determining the maximum amount of indirect costs that are reimbursable under the grant. Indirect costs include agency-wide costs for fiscal services, personnel, central support (e.g., bookkeeping, purchasing, warehousing, and printing), and other centralized services.
	+ The amount of cost allocable to this grant shall not exceed the benefits to this grant. The allocation method must quantify this benefit among all similar programs and then distribute the costs accordingly.
	+ The indirect cost rate shall not include consideration of any costs otherwise non-reimbursable. If a depreciation or use allowance is included in the indirect cost rate, such allowance shall not be claimed on the asset.

## **BUDGET REVISIONS, FISCAL, AND PROGRAMMATIC REPORTING REQUIREMENTS**

### Fiscal Accountability Requirements

The CDE receives annual appropriations from the State of California to be used for granting financial assistance to the AIEC Program. The CDE is, therefore, charged with a fiduciary responsibility to see that the taxpayers' money is used appropriately and to require proper accountability from the recipients of its awards. Acceptance of a grant from the CDE creates a legal obligation on the part of the grantee to use the funds in accordance with the terms of the grant and to comply with the grant's provisions and conditions. The grantee thus assumes full responsibility for the conduct of project activities and becomes accountable for meeting fiscal standards in the areas of financial management, internal control, audit, and reporting to the CDE.

### Financial Management Standards

Grantees shall adhere to the accounting and fiscal management requirements set forth in 5 *CCR*, sections 11996.7 and 11996.8. In order to adhere to these obligations, grantees at a minimum must conform their accounting and fiscal management practices to include the following:

* Recipients must have accounting structures that provide accurate and complete information about all financial transactions related to the project.
* Quarterly fiscal expenditure reports must be at least as detailed as the cost categories indicated in the approved budget (including indirect costs that are charged to the project). Actual expenditures must be consistent with budgeted amounts.
	+ Once an expenditure report has been approved, changes will not be allowed, unless a thorough justification is approved by the CDE.
* Accounting records are to be maintained on a current basis and balanced monthly.
* Quarterly fiscal expenditure reports must reflect actual expenditures incurred during the quarter in which the report pertains. Costs may be incurred only during the grant period.
* The quarterly fiscal expenditure reports must be supported by source documentation such as cancelled checks, invoices, contracts, travel reports, donor letters, in-kind contribution reports, and personnel activity reports.
* The same specific costs cannot be claimed and reported on more than one grant and in more than one quarterly report.
* Every employee whose salary is charged, in whole or in part, to a grant must use personnel activity reports to account for all compensated time, including time spent on other activities.
	+ If the grantee has more than one program, then the method used to allocate administrative costs must be documented.
	+ If an employee is multi-funded on a time accounting basis, then the employee’s time sheet must indicate the actual amount of time spent in each program per day.
	+ Vacation hours cannot be accrued from year to year and must be used within the grant period.
* Records must be preserved for five years following submission of the final financial status report. However, if records of receipts are being reviewed or audited, records of receipts must be kept until review/audit is completed. The CDE employees or representatives shall be allowed access to all program related or fiscal records during normal work hours.
* The applicable Office of Management and Budget (OMB) cost principles and the terms and conditions of the grant award shall be followed in determining whether costs are reasonable, allowable, and allocable.

If the grantee organization is unable to meet the standards that are covered here, CDE funding may be terminated and the organization may be deemed ineligible to receive subsequent financial assistance or may be placed on an alternative method of funding.

A grantee is not eligible for additional funds if the grantee has received final notification that its grant has been terminated. A grantee is not eligible for additional funds if the grantee has demonstrated fiscal and/or programmatic noncompliance and has received final notification that it will not be offered continued funding.

Grantees have no vested right to a subsequent grant. Grantees that have evidenced fiscal or programmatic noncompliance with the provisions of this grant, laws, or regulations shall receive an administrative review to determine whether they will receive an offer for continued funding.

Grantees that intend to accept the offer to continue services in the subsequent grant period shall respond to a continued funding application request from the CDE in accordance with the instructions and timelines specified in the request. Failure to respond within the timelines specified in the continued funding application request shall constitute notification to the CDE of the grantee’s intent to discontinue services at the end of the current grant period unless the contractor has received a written extension of the original timeline from the CDE.

### Internal Control Standards

Organizations must provide safeguards for all grant property, whether cash or other assets, and assure that it is used solely for authorized purposes. Control will be enhanced if the duties of the members of the organization are divided so that no one person handles all aspects of a transaction from beginning to end. Although a complete separation of functions may not be feasible for a small organization, some measure of effective control may be obtained by planning the assignment of duties carefully. Many of the most effective techniques for providing internal control are very simple. Some examples are:

* Cash receipts should be recorded immediately and deposited daily.
* Bank accounts should be reconciled monthly by someone other than the person who signs the checks.
* If petty cash is used it should be entrusted to a single custodian and used for all payments other than those made by check. Petty cash must be reconciled monthly.
* Checks to vendors should be issued only in payment of approved invoices and the supporting documents for those approved invoices.
* The person who is responsible for the physical custody of an asset should not also have responsibility for keeping the records related to that asset.
* The person who has authority for placing employees on the payroll and establishing wage rates should not be the same person who signs the checks.

Except for external payroll services, grantees shall not use any pre-signed, pre-authorized, or pre-stamped checks without the prior written approval of the CDE.

Grantees shall require two authorized signatures on all checks unless:

1. The grantee has a policy approved by its governing board requiring dual signatures only on checks above a specified dollar amount.
2. The annual audit verifies that appropriate internal controls are maintained.

Grantees shall not loan funds to individuals, corporations, organizations, public agencies, or private agencies. Grantees shall not advance unearned salary to employees. Grantee shall not make advance payments to subcontractors and shall compensate subcontractors after services are rendered or goods are received and an invoice has been submitted.

Inventory records must be maintained that include a description of the equipment, serial number or other identification number, the source of the equipment, the acquisition date, the cost of the equipment, the location, use and condition of the equipment, and any ultimate disposition date, including date of disposal and sale price if applicable. A physical inventory of equipment must be taken every year. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft (any loss, damage, or theft must be investigated); and adequate maintenance procedures must be developed to keep the equipment in good condition.

Depreciation is a cost in the current fiscal year based on acquisition costs, less any estimated residual value, computed on a straight-line method from the original date of acquisition (based on the normal, estimated useful life expectancy of the asset). When depreciation is applied to assets acquired in prior years, the annual charges shall not exceed the amounts that would have resulted had depreciation been claimed from the date of acquisition.

When equipment is purchased with state funds, the equipment shall vest with the grantee only for such period of time as the grantee has a grant with the CDE. The CDE may provide written authorization for the grantee to retain the equipment for the grantee’s own use if a fair compensation is paid to the state for the state’s share of the cost of the equipment. Fair compensation shall be determined by the state using the state’s share of original acquisition cost, less depreciation, computed on a straight-line method over the estimated useful life expectancy of the equipment.

When equipment is purchased in whole or in part with state funds, the grantee shall use the equipment exclusively in the program(s) from which funds were used to purchase the equipment. If the grantee wishes to share the use of the equipment between/among two or more programs, the cost of such equipment shall be prorated between/among the programs.

The grantee may dispose of obsolete equipment and remove the asset at its recorded value. If the sale of equipment originally purchased with state funds occurs, the proceeds from the sale of the equipment must be returned to the program. If the grantee no longer has a grant with the CDE, the grantee shall dispose of the equipment in accordance with written directions from the CDE.

### Audit Standards

Grantees are expected to maintain a state of audit readiness. This means that records pertinent to the financial and programmatic aspects of their grants must be readily accessible for audit or program and fiscal review by CDE staff. Failure to provide the auditor or CDE staff with reliable documentation could lead to questioned costs and possibly result in cost disallowances requiring repayment of funds to the CDE. The OMB Circular A-133, the definitive federal regulation concerning audits of nonprofit organizations, bases the requirements for audit on specific dollar amounts. The requirements are discussed below. The entire Circular should be reviewed to assure proper implementation.

* Nonprofit organizations that expend $500,000 or more in a year in federal awards must have an audit conducted for that year in accordance with the provisions of OMB Circular A-133. OMB Circular A-133 audits are performed by independent public accounting firms engaged by the grantee organizations. Costs for OMB Circular A-133 audits are borne by the grantee organizations but are allowable as charges to grant projects; they may be considered either direct costs or allocated indirect costs as determined by the federal cost principles.
* Nonprofit organizations that expend less than $500,000 in a year in federal awards are not required to have a OMB Circular A-133 audit for that year. All AIEC-funded organizations need to be aware that they will receive a fiscal review by the CDE.

### References

The new mandate is embedded in grant making rules that the federal OMB put into effect at the end of 2014. In addition, the new OMB Uniform Guidance streamlines and clarifies cost allocation and other rules related to government grants and contracts, removing some areas of confusion and inconsistency while treating more of a nonprofit’s expenses as direct (reimbursable) costs. The OMB Uniform Guidance can be found on the National Council of Nonprofits web page at <https://www.councilofnonprofits.org/omb-uniform-guidance>.

### Application Budget Revisions

Project budget revisions of more than 10 percent of the line item must be approved in writing by the CDE prior to implementation. Expenditures for any grant activity, or type of equipment not listed in the application budget or approved revision must be approved in advance by the CDE.

Revisions to an approved application may be submitted any time during the annual grant period as long as the revision is approved prior to the implementation of the revision.

Requests for budget revisions in excess of 10 percent of a line item will not automatically be approved. As previously stated, budgets constitute an intricate and important part of the grantee’s program description. Any request for budget revisions of more than 10 percent of a line item will be evaluated with that understanding. Thus, grantees should not expect approval for budget revisions which are not justified by actual and sound program revisions. Additionally, please note that 5 *CCR*, Section 11996.11(a) requires written approval for revisions of more than 10 percent of the line item **prior** to any expenditures based on such revision. The CDE will not approve requests for budget revisions **after** any expenditure made in reliance on a requested revision that was not approved in advance by the CDE. Budget revisions of more than $3,000 will not be considered after June 30.

### Reporting Requirements

Each grant recipient shall provide programmatic and fiscal reports (5 *CCR*, Section 11996.7). Forms shall be provided by the CDE.

### Programmatic Reporting

Each funded agency will provide a six-month programmatic report and a final programmatic report.

The six-month programmatic report shall be due May 30. This document will report on the implementation of the approved application activities. This report will also include a budget implementation narrative section.

The final programmatic report shall be submitted annually and shall be due November 30 (60 days from the end of the grant period), and shall contain the following information:

1. Number of students enrolled, by grade level or age
2. Number of students served, by grade level or age, and by service type and frequency
3. Description of how the AIEC meets the continuing educational and cultural needs of the community it serves
4. Description of the collaborative activities conducted during the year
5. Progress made in meeting the AIEC’s stated objectives, including applicable program objectives as stated in *EC* Section 33381
6. Aggregated data on AIEC Program-enrolled students’ performance on state academic assessment measures
7. Recommendations for revisions to the project and its budget on the basis of an analysis carried out by the grant recipient

Grantees shall submit statistical, cost, and program data as requested by the CDE in order for the CDE to prepare various legislatively mandated reports, to meet state and federal reporting requirements, and for the effective administration of the AIEC Program.

Grantees submitting data to the CDE will include a certification that the data are correct and complete, and the signature of the person authorized by the grantee to certify the data.

Grantees shall submit complete, accurate data to the CDE by the date specified, and as specified, in the CDE’s request for this information. Incomplete, inaccurate, or incorrectly formatted reports, and reports not received by the required due date shall be considered delinquent. Penalties for delinquent reporting are specified in 5 *CCR*, Section 11996.7(d).

### Fiscal Reporting

The fiscal reporting shall be submitted quarterly. Fiscal expenditure reports are due by 5 p.m. on the dates as follows:

| Expenditure Report Due Date | Report Period |
| --- | --- |
| February 8, 2019 | October 1, 2018–December 31, 2018 |
| May 10, 2019 | January 1, 2019–March 31, 2019 |
| August 9, 2019 | April 1, 2019–June 30, 2019 |
| November 8, 2019 | October 1, 2019–September 30, 2019 |

The reports shall be signed by the AIEC Board Chair/Fiscal Accounting Officer and will have two components:

1. An Expenditure Report
2. A general ledger that shows each employee’s name and the expenditures in detail
3. The general ledger is due quarterly and is not to be included with the application. The amounts on the general ledger must match the amounts reported on the Expenditure Report.
4. Once an Expenditure Report has been submitted and approved by the CDE, no changes are allowed without justification as to why the changes are being made. The AIEC must receive prior approval by the CDE.

The CDE shall reduce, withhold, or cancel any scheduled payment when one or more of the following conditions exist:

1. The grantee has not submitted an acceptable audit for any prior year of operation on or before the date due.
2. The grantee has not submitted any reports required before the date due.
3. Any past due reports are not approved.
4. The grantee will not earn the full grant amount based on the current year net reimbursable program costs as determined by the CDE.
5. A creditor of the grantee has placed a lien on the grantee’s scheduled payments.
6. The grantee has accounts payable which are:
* More than 90 days delinquent to the CDE
* Not under appeal

If any payment is to be reduced, withheld, or canceled, the CDE shall provide the grantee prior written notice of the intended action.

Each grant recipient shall submit annually, a fiscal audit of expenditures titled Audited Final Revenue and Expenditure Report. This report is due annually on April 30. A one-time, 60-day extension shall be granted if a request for the extension is made prior to April 30 and demonstrates good cause for such an extension. Grant funds may be used to pay for the preparation of this report.

Failure to submit the Annual Program Report, Quarterly Fiscal Reports, or results of the Audited Final Revenue and Expenditure Report by the due dates will result in a delay of the second payment for the current year and all payments for subsequent grant years until the reports are submitted (5 *CCR*, Section 11996.7[d]).